

**Lease.**

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**Union Traction Company of Philadelphia**

**TO**

**Philadelphia Rapid Transit Company.**

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*JULY 1st, 1902.*



**This Agreement,** Made at the city of Philadelphia, in the Commonwealth of Pennsylvania, as of the first day of July, A. D. one thousand nine hundred and two (1902), by and between the **Union Traction Company of Philadelphia**, a corporation duly incorporated under the laws of said Commonwealth (hereinafter called UNION), as party of the first part, and **Philadelphia Rapid Transit Company**, also a corporation duly incorporated under the laws of said Commonwealth (hereinafter called RAPID TRANSIT), as party of the second part, **Witnesseth :**

Whereas, Prior to October 1st, A. D. 1895, PHILADELPHIA TRACTION COMPANY, a traction motor company duly incorporated under the laws of said Commonwealth, had, by virtue of certain leases, contracts, agreements, and assignments (copies of which are hereto attached as part of "EXHIBIT A" and marked therein respectively as "LEASE 1," "LEASE 2," "LEASE 3," "LEASE 4," "LEASE 5," "LEASE 6," "LEASE 7," "LEASE 8," "LEASE 9," "LEASE 10," "LEASE 11," "LEASE 12," "LEASE 13," "LEASE 14," "LEASE 15," "LEASE 16," "LEASE 17," "LEASE 18," "LEASE 19," "LEASE 20," "LEASE 21," "LEASE 22," "LEASE 23," and "LEASE 24," each and every of which said several leases, contracts, agreements, and assignments is hereby made part of this agreement as if the same were set forth in full in this recital), become lawfully possessed of all the railways, property, rights, franchises, and privileges of each and every of said passenger railway companies respectively named in each and every of the aforesaid leases, contracts, agreements, and assignments, upon the terms and conditions and subject to the covenants and limitations in each of said several leases, contracts,

agreements, and assignments respectively contained; and, in addition to the various railways, properties, rights, franchises, and privileges then held, possessed, leased, operated, controlled, used, and enjoyed by said PHILADELPHIA TRACTION COMPANY and mentioned and included in said several foregoing recited leases, contracts, agreements, and assignments, said company was then the owner of certain contracts appertaining to the operation of the railways by it controlled and operated, and also of valuable real estate and personal property, including certain bonds and shares of the capital stock of certain passenger railway companies located in the city of Philadelphia;

**And Whereas,** By a certain lease and agreement dated the first day of October, A. D. 1895, and duly executed, acknowledged, and delivered (a copy of which said lease is hereto attached, marked "EXHIBIT A," and which, including copies of said above-mentioned leases, contracts, agreements, and assignments forming part of said lease and marked therein respectively as "LEASE 1," "LEASE 2," "LEASE 3," "LEASE 4," "LEASE 5," "LEASE 6," "LEASE 7," "LEASE 8," "LEASE 9," "LEASE 10," "LEASE 11," "LEASE 12," "LEASE 13," "LEASE 14," "LEASE 15," "LEASE 16," "LEASE 17," "LEASE 18," "LEASE 19," "LEASE 20," "LEASE 21," "LEASE 22," "LEASE 23," and "LEASE 24," are hereby expressly made a part of this agreement as if the same were set forth in full in this recital), said PHILADELPHIA TRACTION COMPANY did duly let and demise unto UNION, its successors and assigns, for the term of nine hundred and ninety-nine (999) years, for the rentals and upon the terms and conditions and subject to the covenants, stipulations, and limitations in said lease and agreement set forth; all the right, title, and interest of said PHILADELPHIA TRACTION COMPANY in and to the railroads, property, and franchises of the various railway companies thereinbefore specified of whose respective railroads,



properties, and franchises it was the lessee or the operator, as the same were held and possessed by it under the above-recited leases, contracts, agreements, and assignments; also all its rights, privileges, and franchises derived from or under the above-recited leases, contracts, agreements, and assignments; also all contracts for operating railways and use of tracks to it belonging; also all its real estate and railways as the same were then located and constructed, or as the same might be thereafter located and constructed, in pursuance of any and every lawful authority then existing, or which might thereafter exist, together with all the branches, extensions, sidings, turnouts, tracks, rights of way, lands, machinery, fixtures, depots, stables, shops, stations, buildings, structures, improvements, poles, wires, motors, power houses, electrical plants, appurtenances, tenements, and hereditaments of whatever kind or description and wherever situate, then held, owned, used, or controlled by said PHILADELPHIA TRACTION COMPANY, and also which at any time thereafter during the term of said demise might be by it held, owned, used, or acquired, provided that such after-acquired property should be acquired for some purpose incident to, or connected with, the maintenance, operation, construction, or extension of the aforesaid railways and appurtenances; also all the electrical apparatus, horses, machinery, cars and other rolling stock, tools, implements, machines, harness, equipments, stable furniture, and such other like personal property generally of every kind or description belonging to or controlled by said PHILADELPHIA TRACTION COMPANY, and in use or intended and adapted for use on, in, or about the premises demised for the business thereof; also all the stock, bonds, and securities to PHILADELPHIA TRACTION COMPANY belonging, to be held in the manner therein set forth; also all the rights, powers, franchises and privileges which then, or at any time thereafter during the aforesaid term, might be lawfully exercised or enjoyed in or about the use, management, maintenance, renewal, extension, or

improvement of the railways and appurtenances therein demised ; also all the right of said PHILADELPHIA TRACTION COMPANY to enter into contracts by lease or otherwise ; also all the executory contracts of said PHILADELPHIA TRACTION COMPANY for construction and for the supply to it of materials, machinery, engines, boilers, cars, rails, power houses, and for the protection and improvement of its property, rights, and business ;

**And Whereas,** Prior to October 1st, 1895, the ELECTRIC TRACTION COMPANY OF PHILADELPHIA, a traction motor company duly incorporated under the laws of said Commonwealth, had, by virtue of certain leases, contracts, agreements and assignments (copies of which are hereto attached as part of "EXHIBIT B" and marked therein respectively as "EXHIBIT ONE," "EXHIBIT TWO," "EXHIBIT THREE," "EXHIBIT FOUR," "EXHIBIT FIVE," and "EXHIBIT SIX,") become lawfully possessed of, and operated and controlled all the railways, property, rights, franchises, and privileges of each and every of said passenger railway companies respectively named in each and every of the aforesaid leases, contracts, agreements, and assignments, upon the terms and conditions and subject to the covenants and limitations in each of said several leases, contracts, agreements, and assignments respectively contained, and, in addition to the various railways, properties, rights, franchises, and privileges then held, possessed, leased, operated, controlled, used, and enjoyed by said ELECTRIC TRACTION COMPANY and mentioned and included in said several foregoing recited leases, contracts, agreements, and assignments, said company was then the owner of certain contracts appertaining to the operation of the railways by it controlled and operated, and also of valuable real estate and personal property, including certain bonds and shares of the capital stock of certain passenger railway companies located in the city of Philadelphia ;

**And Whereas,** The PEOPLE'S PASSENGER RAILWAY COMPANY, a corporation duly incorporated under the laws of said Commonwealth and lawfully owning and operating certain lines of street railway in said city of Philadelphia, had also, by virtue of certain leases, contracts, agreements, and assignments (copies of which are hereto attached as parts of "EXHIBIT C," and marked therein respectively as "EXHIBIT ONE," "EXHIBIT TWO," "EXHIBIT THREE," "EXHIBIT FOUR," "EXHIBIT FIVE," "EXHIBIT SIX," "EXHIBIT SEVEN," "EXHIBIT EIGHT," and "EXHIBIT NINE," each and every of which said several leases, contracts, agreements, and assignments is hereby made part of this agreement as if the same were set forth in full in this recital), become lawfully possessed of all the railways, property, rights, franchises, and privileges of each and every of said passenger railway companies respectively named in each and every of the aforesaid leases, contracts, agreements, and assignments, upon the terms and conditions and subject to the covenants and limitations in each of said several leases, contracts, agreements, and assignments respectively contained;

**And Whereas,** The PEOPLE'S TRACTION COMPANY, a traction motor company duly incorporated under the laws of said Commonwealth, by virtue of the powers vested in it, did, on the twelfth day of April, A. D. 1893, enter into a certain agreement with said PEOPLE'S PASSENGER RAILWAY COMPANY to construct, maintain, and operate, on the various lines of railway owned, leased, controlled, and operated by said last-named company, the overhead electrical trolley system, a copy of which said agreement is hereto attached as part of "EXHIBIT C," and marked therein as "EXHIBIT TEN," and is hereby made part of this agreement as if the same were set forth in full in this recital;

**And Whereas,** Said PEOPLE'S TRACTION COMPANY, on or about the fifteenth day of April, A. D. 1893, did acquire all the capital stock



of said PEOPLE'S PASSENGER RAILWAY COMPANY, which stock was duly deposited and pledged with the PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES as the basis of an issue of five millions eight hundred and ten thousand dollars (\$5,810,000) stock trust certificates, issued on the fifteenth day of April, A. D. 1893, upon which semi-annual payments were to be made at the rate of four (4) per cent. per annum, free of tax, which certificates are redeemable on the first day of February, A. D. 1943; all payments to be made in gold coin of the United States of America of the then standard of fineness and weight, a copy of the agreement entered into between said PEOPLE'S TRACTION COMPANY, of the one part, and said PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES, as trustee for said certificate holders, of the other part, being hereto attached as part of "EXHIBIT C," and marked therein as "EXHIBIT ELEVEN," and which is hereby made part of this agreement as if the same were set forth in full in this recital;

**And Whereas,** By virtue of said agreement entered into as aforesaid between said PEOPLE'S PASSENGER RAILWAY COMPANY and said PEOPLE'S TRACTION COMPANY (a copy of which is hereto attached as part of "EXHIBIT C," and marked therein as "EXHIBIT TEN") and by virtue of said acquisition by said PEOPLE'S TRACTION COMPANY of all of the capital stock of said PEOPLE'S PASSENGER RAILWAY COMPANY, said PEOPLE'S TRACTION COMPANY became and was vested with ownership, control, management, and operation of all of the property, rights, privileges, and franchises of said PEOPLE'S PASSENGER RAILWAY, as well those owned and possessed under its own charter as those acquired by lease and agreement as hereinbefore set out;

**And Whereas,** UNION having leased and acquired, in the manner hereinbefore recited, all the railways, property, rights, franchises, and privileges of said PHILADELPHIA TRACTION COMPANY, acquired by it under said various leases, contracts, agreements, and



assignments above recited, did, on or about the first day of October, A. D. 1895, acquire all the shares of the capital stock of the said ELECTRIC TRACTION COMPANY, and all the shares of the capital stock of the said PEOPLE'S TRACTION COMPANY, all of which shares of stock were duly deposited with the said PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES as security for an issue of stock trust certificates amounting in the aggregate to twenty-nine millions seven hundred and twenty-five thousand eight hundred and sixty-four dollars (\$29,725,864); and certain semi-annual payments thereon by UNION in the nature of interest, and the ultimate retirement thereof were provided for and are fully set forth in a certain agreement dated the first day of October, A. D. 1895, and a certain supplemental agreement dated the tenth day of December, A. D. 1895, between UNION and said PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES (copies of which said agreements are hereto attached as parts of "EXHIBIT B," and marked therein respectively "EXHIBIT SEVEN" and "AMENDMENT TO EXHIBIT SEVEN," and are also attached as parts of "EXHIBIT C," which agreements are hereby made a part of this agreement as if the same were set forth in full in this recital), and in a certain other agreement dated the thirteenth day of May, A. D. 1896, between UNION and said PEOPLE'S TRACTION COMPANY, and a certain other agreement dated the tenth day of December, A. D. 1895, between UNION and said ELECTRIC TRACTION COMPANY OF PHILADELPHIA (copies of both of said two last-mentioned agreements being hereto attached as parts of "EXHIBIT B," and marked therein respectively as "EXHIBIT NINE" and "EXHIBIT EIGHT," and are also attached as part of "EXHIBIT C," which agreements are hereby made part of this agreement as if the same were set forth in full in this recital);

**And Whereas,** By a certain lease and agreement dated the first day of July, A. D. 1896, and duly executed, acknowledged, and

delivered (a copy of which is hereto attached, marked "EXHIBIT B," and which, including copies of the therein mentioned leases, contracts, agreements, and assignments, forming part of said lease, and marked respectively as "EXHIBIT ONE," "EXHIBIT TWO," "EXHIBIT THREE," "EXHIBIT FOUR," "EXHIBIT FIVE," "EXHIBIT SIX," "EXHIBIT SEVEN," "EXHIBIT EIGHT," and "EXHIBIT NINE," are hereby expressly made a part of this agreement as if the same were set forth in full in this recital), said ELECTRIC TRACTION COMPANY OF PHILADELPHIA did duly let and demise unto UNION, its successors and assigns, for the term of nine hundred and ninety-eight (998) years and three (3) months, for the rentals and upon the terms and conditions and subject to the covenants, stipulations, and limitations in said agreement and lease, all the railways, property, and franchises of said ELECTRIC TRACTION COMPANY OF PHILADELPHIA, and all its right, title, and interest in and to all the railways, property, and franchises of the various companies thereinbefore specified, of which it was then the lessee or operator, and all its rights, privileges, and franchises, derived from or under the leases, contracts, agreements, and assignments therein recited, saving and excepting from said lease and contract all books and papers relating to its corporate existence and accounts;

**And Whereas,** By a certain tripartite agreement and lease between the said the PEOPLE'S PASSENGER RAILWAY COMPANY, of the first part, the said the PEOPLE'S TRACTION COMPANY, of the second part, and said UNION, of the third part, dated the first day of July, A. D. 1896, and duly executed, acknowledged, and delivered (a copy of which is hereto attached, marked "EXHIBIT C," and which, including copies of the therein mentioned leases, contracts, agreements, and assignments forming part of said tripartite agreement, and marked respectively as "EXHIBIT ONE," "EXHIBIT TWO," "EXHIBIT THREE," "EXHIBIT FOUR," "EXHIBIT FIVE," "EXHIBIT SIX," "EXHIBIT SEVEN," "EXHIBIT EIGHT," "EXHIBIT NINE," "EXHIBIT

TEN," "EXHIBIT ELEVEN," "EXHIBIT TWELVE," "EXHIBIT THIRTEEN," and "EXHIBIT FOURTEEN," are hereby expressly made a part of this agreement as if the same were set forth in full in this recital), said PEOPLE'S PASSENGER RAILWAY COMPANY did demise and let unto said PEOPLE'S TRACTION COMPANY, its successors and assigns, for the term of nine hundred and ninety-eight years (998) and three (3) months, and for the rentals and upon the terms and conditions, and subject to the covenants, stipulations, and limitations therein set forth, all its railways, property, and franchises, and all its right, title, and interest in and to the railways, property, and franchises, of the various companies therein specified, of which it was then the lessee or operator, and all its rights, privileges, and franchises derived from or under the therein recited leases and assignments, saving and excepting out of said lease and contract all books and papers relating to the corporate existence and accounts of said lessor; and said PEOPLE'S TRACTION COMPANY being lessee as aforesaid, did thereupon, in said tripartite agreement and lease, duly assign, set over, and transfer unto UNION all the right, title, and interest which it, the said PEOPLE'S TRACTION COMPANY, did acquire under said lease, and did further grant, demise, and let unto UNION, on the terms and conditions in said agreement set forth, all the property, franchises, and privileges of every kind whatsoever of said PEOPLE'S TRACTION COMPANY, saving and excepting out of said lease and contract all books and papers relating to the corporate existence, business, and accounts of said Company;

**And Whereas,** THE FAIRMOUNT PARK AND HADDINGTON PASSENGER RAILWAY COMPANY, a corporation duly incorporated under the laws of said Commonwealth, and owning and operating certain lines of railways on certain streets in the said city of Philadelphia, by a certain agreement and lease duly executed and delivered, and dated the sixth day of May, A. D. 1895 (a copy of which is hereto



attached as a part of "EXHIBIT D," and marked therein "EXHIBIT A," and hereby made a part of this agreement as if the same were set forth in full in this recital), did duly lease, upon certain terms and conditions, its railway and all its property, rights, franchises, and privileges unto the HESTONVILLE, MANTUA AND FAIRMOUNT PASSENGER RAILROAD COMPANY, a corporation duly incorporated under the laws of said Commonwealth ;

**And Whereas,** The said the HESTONVILLE, MANTUA AND FAIRMOUNT PASSENGER RAILROAD COMPANY, owning and operating certain lines of street railway in said city, and being also lessee as aforesaid of the railways, properties, rights, franchises, and privileges of said FAIRMOUNT PARK AND HADDINGTON PASSENGER RAILWAY COMPANY, did, by a certain lease and agreement duly executed, acknowledged, and delivered, and dated the twenty-seventh day of January, A. D. 1898 (a copy of which said lease is hereunto attached, marked "EXHIBIT D," and which, together with the copy of a certain other lease above referred to and forming part thereof, is hereby made part of this agreement as if the same were set forth in full in this recital), duly demise and let unto UNION, its successors and assigns, for the term of nine hundred and ninety-nine (999) years, and for the rentals and upon the terms and conditions and subject to the covenants, stipulations, and limitations therein set forth, all and singular its real estate, and all its railroad as then constructed or as the same might thereafter be lawfully constructed, together with all its appurtenances, rolling stock, chattels, poles, wires, boilers, engines, dynamos, electrical machinery, and supplies, and all other property, real or personal, of whatsoever kind, together with all its franchises, rights, and privileges thereto respectively belonging or in anywise appertaining, and all its leasehold rights, particularly those acquired from said FAIRMOUNT PARK AND HADDINGTON PASSENGER RAILWAY COMPANY under the lease aforesaid, and also all its contracts for operating railways and use of tracks ;



**And Whereas,** The CITIZENS' CLEARFIELD AND CAMBRIA STREET RAILWAY COMPANY, a corporation duly incorporated under the laws of said Commonwealth, with certain rights, privileges, and franchises, including, *inter alia*, the right to lay down, construct, maintain, and operate a passenger railway on certain streets of the city of Philadelphia, did, as of the first day of July, A. D. 1896, duly lease, upon certain terms and conditions, for the term of nine hundred and ninety-nine (999) years, its railway and all its property, rights, franchises, and privileges unto the ELECTRIC TRACTION COMPANY OF PHILADELPHIA in and by a certain indenture of lease, in which UNION was joined as a party, accepting the assignment thereof therein made to it by said ELECTRIC TRACTION COMPANY OF PHILADELPHIA, a copy of which lease is hereto attached, marked "EXHIBIT E," and made a part of this agreement as if the same were set forth in full in this recital;

**And Whereas,** The CITIZENS' EAST END STREET RAILWAY COMPANY, a corporation duly incorporated under the laws of said Commonwealth, with certain rights, privileges, and franchises, including, *inter alia*, the right to lay down, construct, maintain, and operate a passenger railway on certain streets of the city of Philadelphia, did, as of the first day of July, A. D. 1896, duly lease, upon certain terms and conditions, for the term of nine hundred and ninety-nine (999) years, its railway and all its property, rights, franchises, and privileges unto the ELECTRIC TRACTION COMPANY OF PHILADELPHIA in and by a certain indenture of lease, in which UNION was joined as a party, accepting the assignments thereof therein made to it by said ELECTRIC TRACTION COMPANY OF PHILADELPHIA, a copy of which lease is hereto attached, marked "EXHIBIT F," and made a part of this agreement as if the same were set forth in full in this recital;

**And Whereas,** The BROWN AND PARRISH STREET RAILWAY COMPANY, a corporation duly incorporated under the laws of said

Commonwealth, with certain rights, privileges, and franchises, including, *inter alia*, the right to lay down, construct, maintain, and operate a passenger railway on certain streets of the city of Philadelphia, did, as of the first day of July, A. D. 1896, duly lease, upon certain terms and conditions, for the term of nine hundred and ninety-nine (999) years, all its property, rights, franchises, and privileges unto the ELECTRIC TRACTION COMPANY OF PHILADELPHIA in and by a certain indenture of lease, in which UNION was joined as a party, accepting the assignment thereof therein made to it by said ELECTRIC TRACTION COMPANY OF PHILADELPHIA, a copy of which lease is hereto attached, marked "EXHIBIT G," and made a part of this agreement as if the same were set forth in full in this recital ;

**And Whereas,** The CITIZENS' NORTH END STREET RAILWAY COMPANY, a corporation duly incorporated under the laws of said Commonwealth, with certain rights, privileges, and franchises, including, *inter alia*, the right to lay down, construct, maintain, and operate a passenger railway on certain streets of the city of Philadelphia, did, as of the first day of July, A. D. 1896, duly lease, upon certain terms and conditions, for the term of nine hundred and ninety-nine (999) years, its railway and all its property, rights, franchises, and privileges unto the ELECTRIC TRACTION COMPANY OF PHILADELPHIA in and by a certain indenture of lease, in which UNION was joined as a party, accepting the assignment thereof therein made to it by said ELECTRIC TRACTION COMPANY OF PHILADELPHIA, a copy of which lease is hereto attached, marked "Exhibit H," and made a part of this agreement as if the same were set forth in full in this recital ;

**And Whereas,** THE EMPIRE PASSENGER RAILWAY COMPANY, a corporation duly incorporated under the laws of said Commonwealth, and owning and operating certain lines of railway on certain streets in the said city of Philadelphia, with respect to which UNION had

succeeded to certain rights under its lease of the PHILADELPHIA TRACTION system hereinbefore referred to, did, upon the first day of April, A. D. 1897, enter into a further agreement in the nature of a lease with UNION, a copy of which is annexed hereto, marked "EXHIBIT I," and made a part of this agreement as if the same were set forth in full in this recital ;

**And Whereas,** The LEHIGH AVENUE RAILWAY COMPANY of Philadelphia, a corporation duly incorporated under the laws of said Commonwealth, with certain rights, privileges, and franchises, including, *inter alia*, the right to lay down, construct, maintain, and operate a passenger railway on certain streets of the city of Philadelphia, did, on the eighteenth day of September, A. D. 1899 (but to take effect as of the first day of July, 1899), duly lease, upon certain terms and conditions, for the term of nine hundred and ninety-nine (999) years, its railway and all its property, rights, franchises, and privileges unto UNION in and by a certain indenture of lease, a copy of which is hereto attached, marked "EXHIBIT J," and made a part of this agreement as if the same was set forth in full in this recital ;

**And Whereas,** The FRANKFORD AND FAIRMOUNT RAILWAY COMPANY, a corporation duly incorporated under the laws of said Commonwealth, with certain rights, privileges, and franchises, including, *inter alia*, the right to lay down, construct, maintain, and operate a passenger railway on certain streets of the city of Philadelphia, did, on the fifteenth day of April, A. D. 1901 (but to take effect as of the first day of January, 1901), duly lease, upon certain terms and conditions, for the term of nine hundred and ninety-nine (999) years, its railway and all its property, rights, franchises, and privileges unto UNION in and by a certain indenture of lease, a copy of which is hereto attached, marked "EXHIBIT K," and made a part of this agreement as if the same were set forth in full in this recital ;

**And Whereas,** The LINDLEY AVENUE RAILWAY COMPANY, a corporation duly incorporated under the laws of said Commonwealth, with certain rights, privileges, and franchises, including, *inter alia*, the right to lay down, construct, maintain, and operate a passenger railway on certain streets of the city of Philadelphia, did, on the fifteenth day of April, A. D. 1901 (but to take effect as of the first day of January, 1901), duly lease, upon certain terms and conditions, for the term of nine hundred and ninety-nine (999) years, its railway and all its property, rights, franchises, and privileges unto UNION in and by a certain indenture of lease, a copy of which is hereto attached, marked "EXHIBIT L," and made a part of this agreement as if the same were set forth in full in this recital ;

**And Whereas,** The FISHER'S LANE RAILWAY COMPANY, a corporation duly incorporated under the laws of said Commonwealth, with certain rights, privileges, and franchises, including, *inter alia*, the right to lay down, construct, maintain, and operate a passenger railway on certain streets of the city of Philadelphia, did, on the fifteenth day of April, A. D. 1901 (but to take effect as of the first day of January, 1901), duly lease, upon certain terms and conditions, for the term of nine hundred and ninety-nine (999) years, its railway and all its property, rights, franchises, and privileges unto UNION in and by a certain indenture of lease, a copy of which is hereto attached, marked "EXHIBIT M," and made a part of this agreement as if the same were set forth in full in this recital ;

**And Whereas,** The GERMANTOWN AND FAIRMOUNT PARK RAILWAY COMPANY, a corporation duly incorporated under the laws of said Commonwealth, with certain rights, privileges, and franchises, including, *inter alia*, the right to lay down, construct, maintain, and operate a passenger railway on certain streets of the city of Philadelphia, did, on the fifteenth day of June, A. D. 1901, duly lease, upon certain



terms and conditions, for the term of nine hundred and ninety-nine (999) years, its railway and all its property, rights, franchises, and privileges unto UNION in and by a certain indenture of lease, a copy of which is hereto attached, marked "EXHIBIT N," and made a part of this agreement as if the same were set forth in full in this recital ;

**And Whereas,** Under and by virtue of the said several foregoing-recited leases, contracts, agreements, and assignments, and subject to all the terms and conditions therein respectively set forth, all and singular the said railways, property, rights, franchises, and privileges of the said corporations therein respectively named, and all and singular the extensions, improvements, and betterments, as well those already completed as those in process of construction, of each of the said several railways respectively, and the real estate and personal property in each of the said several leases, contracts, agreements, and assignments respectively set forth or intended to be included, became and now are vested in UNION ;

**And Whereas,** In addition to the various railways, properties, rights, franchises, and privileges now held, possessed, leased, operated, controlled, used, and enjoyed by UNION, mentioned and included in the foregoing-recited premises, UNION is the owner of certain contracts appertaining to the operation of the railways by it controlled and operated, and also of valuable real and personal property, including certain bonds and shares of the capital stock of certain passenger railway and traction motor companies located in and near the city of Philadelphia, and by virtue of said various leases, contracts, agreements, and assignments, and by reason of the ownership and control as aforesaid of the shares of capital stock of said various passenger railway companies and traction motor companies owning or controlling lines of passenger railways in and near said city of Philadelphia,

UNION was, and is, in actual possession and control of, and was, and is, lawfully operating all said various passenger railway lines and all the electrical system applied thereto which has been built and constructed under the franchises granted to said various companies;

**And Whereas,** UNION is authorized to construct, maintain, and operate motors, cables, poles, wires, and other machinery for supplying motive power to passenger railways and the necessary apparatus for applying the same, with power, after obtaining consent of Councils, to enter upon any street on which a passenger railway now is, or may hereafter be constructed, and, with consent of the said passenger railways, to make, construct, maintain, and operate thereon such motors, cables, electrical, or other appliances, and the necessary and convenient apparatus and mechanical fixtures to provide for the traction of the cars of such passenger railways; and is authorized to enter into contracts with passenger railway companies to construct and operate motors, cables, electrical and other appliances necessary for the traction of their cars, and to operate therewith the cars of such passenger railway companies; and is authorized to lease and to use the property and franchises of passenger railways which it may desire to thus operate, and to operate said railways; and is further authorized to lease the property and franchises of other traction motor companies, and to let to other traction motor companies its property and franchises;

**And Whereas,** RAPID TRANSIT possesses like powers with those last above recited as vested by law in UNION; and the power to acquire and hold shares of the capital stock of other corporations, and has been duly organized with a capital stock of six hundred thousand (600,000) shares of a par value of fifty dollars (\$50) each, all of which have been subscribed for and upon which ten (10) per cent. has already been paid in cash, and has lawfully acquired all the shares of the capital stock of the following corporations duly organized under the

laws of said Commonwealth, viz.: the MARKET STREET ELEVATED PASSENGER RAILWAY COMPANY, the RIDGE AVENUE ELEVATED PASSENGER RAILWAY COMPANY, the FRANKFORD ELEVATED PASSENGER RAILWAY COMPANY, the PASSYUNK AVENUE ELEVATED PASSENGER RAILWAY COMPANY, the GERMANTOWN AVENUE ELEVATED PASSENGER RAILWAY COMPANY, the BROAD STREET RAPID TRANSIT STREET RAILWAY COMPANY, the CENTRAL RAPID TRANSIT STREET RAILWAY COMPANY, the EASTERN RAPID TRANSIT STREET RAILWAY COMPANY, the WESTERN RAPID TRANSIT STREET RAILWAY COMPANY, the NORTHERN RAPID TRANSIT STREET RAILWAY COMPANY, the SOUTHERN RAPID TRANSIT STREET RAILWAY COMPANY, and the CHESTNUT HILL AND GLENSIDE RAPID TRANSIT STREET RAILWAY COMPANY, and has offered to lease, for the term of nine hundred and ninety-nine (999) years, from UNION its entire street railway system as it now exists, including all the property, real and personal, of every kind (saving as is otherwise hereinafter expressly reserved) now owned by UNION, and all its rights, franchises, and privileges, and all its right, title, and interest in and to the railways, properties, rights, franchises, and privileges now held, possessed, leased, operated, controlled, used, and enjoyed by it, mentioned and included in the foregoing-recited premises; subject, however, at all times hereafter during the continuance of said term of lease, to all the terms, conditions, limitations, and covenants binding upon or in anywise affecting UNION as contained in each and every of said several above-recited leases, contracts, agreements, and assignments, and conditioned also upon the acceptance as binding upon it, and of the faithful performance at all times by RAPID TRANSIT, of each and every covenant, promise, and undertaking which, by each and every of said leases, contracts, agreements, and assignments respectively, is required to be done, kept, and performed by UNION, and conditioned also upon the faithful performance by RAPID TRANSIT of all the covenants, stipulations, and agreements in this indenture of lease contained.

**And Whereas,** Said offer has been accepted, and an agreement has accordingly been entered into by and between UNION and RAPID TRANSIT, in the terms hereinafter set forth, which agreement has been duly made by the board of directors of the respective companies duly assembled, under the authority of resolutions adopted by the stockholders of the respective companies, duly assembled for such purpose;

**Now this Indenture Witnesseth,** That for and in consideration of the covenants and agreements of RAPID TRANSIT hereinafter contained, and of the sum of one dollar (\$1) by it in hand paid to UNION, the receipt whereof is hereby acknowledged, UNION doth hereby let and demise to RAPID TRANSIT, its successors and assigns, all its right, title, and interest in and to the railroads, property, and franchises of the various railway and traction motor companies hereinbefore specified, of whose respective railroads, properties, and franchises it is the lessee or the operator, as the same are held and possessed by it under the above-recited leases, contracts, agreements, and assignments; also all its rights, privileges, and franchises derived from or under the above-recited leases, contracts, agreements, and assignments; also all contracts for operating railways and use of tracks to it belonging; also all its real estate and railways as the same are now located and constructed, or as the same may be hereafter located and constructed, in pursuance of any and every lawful authority now existing, or which may hereafter exist, together with all the branches, extensions, sidings, turnouts, tracks, rights of way, lands, machinery, fixtures, depots, stables, shops, wires, motors, power houses, electrical plants, appurtenances, tenements, and hereditaments of whatever kind or description and wherever situate, now held, owned, used, or controlled by UNION, and also which at any time hereafter during the term of this demise may be by it held, owned, used, or



acquired: Provided, that such after-acquired property shall be acquired for some purpose incident to, or connected with, the maintenance, operation, construction, or extension of the aforesaid railways and appurtenances; also all the electrical apparatus, horses, machinery, cars and other rolling stock, tools, implements, machines, harness, equipments, stable furniture, and such other like personal property generally of every kind or description belonging to or controlled by UNION, and in use or intended and adapted for use on, in, or about the premises demised for the business thereof; also all the stock, bonds, and securities to UNION belonging, to be held in the manner hereinafter set forth; also all the rights, powers, franchises and privileges which now, or at any time hereafter during the aforesaid term, may be lawfully exercised or enjoyed in or about the use, management, maintenance, renewal, extension, or improvement of the railways and appurtenances above demised; also all the right of UNION to enter into contracts by lease or otherwise; also all the executory contracts of UNION for construction and for the supply to it of materials, machinery, engines, boilers, cars, rails, power houses, and for the protection and improvement of its property, rights, and business; also all the property, rights, privileges and franchises of UNION; saving and excepting out of this lease and contract all books and papers relating to the corporate existence, business, and accounts of UNION: There is further excepted out of this grant all the interest of the People's Passenger Railway Company, the People's Traction Company, and UNION in, to, and under a certain lease of the Green and Coates Street Philadelphia Passenger Railway Company to the People's Passenger Railway Company, which lease is referred to in Exhibit C hereof and set out in full as Exhibit One thereof; and also all the interest of the Philadelphia Traction Company and UNION in, to, and under a certain lease of the Ridge Avenue Passenger Railway Company to the Philadelphia Traction Company,

which lease is referred to in Exhibit A hereof, and set out in full as Lease No. 17 thereof. Each of said leases is by its terms not assignable without the written consent of the lessor. Such consent, however, having been given, in each instance the interest of the lessee has been duly vested in UNION. Until further consent is procured for the assignment of such interest by UNION to RAPID TRANSIT, UNION shall continue to operate said properties, but shall pay over to RAPID TRANSIT a sum equal to the net receipts and profits arising from such operation; and in case and whenever consent is hereafter secured for the assignment of either of said leases to RAPID TRANSIT, then the exception herein made shall fall and the said interest shall be included in this lease and subject to all its terms and conditions in the same manner and to the same extent as if this exception had not been made: **And Provided Further,** That nothing herein contained shall be deemed or taken in any manner to affect the right of corporate existence of UNION, or its powers or franchises, the existence or exercise of which may, from time to time, be necessary to fully carry out the provisions and intent of this lease, and to protect the interests of its stockholders hereunder;

**To Have and to Hold** the premises thus leased and demised unto RAPID TRANSIT, its successors and assigns, for the full term of nine hundred and ninety-nine (999) years, beginning on the first day of July, A. D. 1902, unless the said term be ended and determined sooner, as hereinafter provided.

**In Consideration of the Premises,** UNION and RAPID TRANSIT do covenant and agree as follows, each binding itself, its successors and assigns, to the other, its successors and assigns:—

**One.**—RAPID TRANSIT shall and will, in addition to the payments hereinafter provided for, pay to UNION, as rent of the prem-

ises hereby demised, the yearly rent or sum of nine hundred thousand dollars (\$900,000), payable semi-annually in each year of the first two years from the date of this lease; the yearly rent or sum of one million two hundred thousand dollars (\$1,200,000), payable semi-annually, in each year of the next two years thereafter; the yearly rent or sum of one million five hundred thousand dollars (\$1,500,000), payable semi-annually, in each year of the next two years, and in each and every year thereafter during the continuance of the term, the yearly rent or sum of one million eight hundred thousand dollars (\$1,800,000), payable semi-annually, all which said payments shall be payable in gold coin of the United States of America of the present standard of fineness and weight. Said yearly rentals shall be paid in equal semi-annual payments on or before the first days of January and July in each year, so that UNION, on such days respectively, may be able to make distribution of the same as a dividend to its stockholders, the first payment to be made on or before the first day of January, A. D. 1903. There shall be no abatement whatsoever upon these payments, or upon any of them, by reason of any advances or other payments which RAPID TRANSIT may hereafter be compelled to make on account of UNION, or for any reason whatsoever, it being intended that UNION shall receive the same clear of all deductions of every sort and kind, so that it may be able to declare and pay upon each of its outstanding shares a semi-annual dividend of seventy-five cents (\$0.75) per share on the first days of January and July of each year of the first two years from the date of this lease; a semi-annual dividend of one dollar (\$1) per share on the first days of January and July in each of the next two years thereafter; a semi-annual dividend of one dollar and twenty-five cents (\$1.25) per share on the first days of January and July in each year of the next two years, and a semi-annual dividend of one dollar and fifty cents (\$1.50) per share on the first days of January and July in each and every

year thereafter during the continuance of this lease, said dividends all to be free and clear of all deductions, charges, taxes, and assessments whatsoever.

**Two.**—In addition to the yearly rental which RAPID TRANSIT has in the next preceding paragraph agreed to pay to UNION, RAPID TRANSIT shall and will pay each, every, and all of the fixed charges, or annual or semi-annual or quarterly payments of every kind whatsoever which UNION is now or which it may at any time hereafter during the continuance of this term become liable to pay, under the terms, covenants, and conditions of each and every of said several leases, contracts, agreements, and assignments hereinbefore recited or referred to, or under any other obligation or undertaking binding upon UNION, including each and every specified sum which, at any specified time or times, UNION is obligated to pay in the nature of interest or for the purposes of sinking fund upon any bond or certificate of indebtedness or obligation of any kind whatsoever heretofore issued by any of said passenger railway or traction motor companies owned, leased, operated, or controlled by UNION under each and every of said before-recited leases, contracts, agreements, or assignments; or under any other similar obligation or undertaking binding upon UNION; and also including each and every specified sum which at any specified time or times, yearly or otherwise, UNION is obligated to pay by way of rental to each and every of said several passenger railway and traction motor companies owned, leased, operated, or controlled by UNION under each and every of said several before-recited leases, contracts, agreements, and assignments. RAPID TRANSIT shall pay to UNION before each of said several payments shall fall due by UNION, the full amount which UNION is bound to pay thereunder, including, in the case of bonds or other certificates of indebtedness, the full interest on all such bonds or other certificates of indebtedness (whether or not the same



are written free of tax), in order that UNION may be able to promptly make each of said payments to, or on account of, each of the said companies thus owned, leased, operated, or controlled by it as afore-said, on the days and times when it has covenanted and agreed to make such payments. Similar payments shall be made by RAPID TRANSIT to UNION in order to meet the interest upon any bonds which may hereafter be issued, with the consent of RAPID TRANSIT, by UNION or by any of the companies now owned, leased, operated, or controlled by UNION, for the purpose of taking up any series of bonds heretofore issued and which may hereafter fall due in accordance with the provisions of this lease or any paragraph hereof.

**Three.**—RAPID TRANSIT shall and will, during the continuance of the term hereby created, assume the payment of, and will faithfully and punctually pay all taxes, charges, licenses, and assessments now or hereafter lawfully imposed upon UNION, or for which UNION would otherwise in anywise be liable or chargeable on account of its corporate existence, or its franchises, property, real or personal, cars, business, earnings, bonds, capital stock, dividends, or profits, and any sum which shall hereafter be levied or assessed upon any shareholder of UNION or upon his shares, by way of direct tax upon said shares or the income thereof, which UNION shall be required to pay on behalf of, or to retain from, any such shareholder, so that UNION shall be able to declare and pay to its shareholders, free of tax of any and every kind, levied by any authority, national, State, or local, the semi-annual dividends per share hereinbefore specified in paragraph ONE hereof, in gold coin during the continuance of this lease. All of said taxes, charges, licenses, and assessments shall be paid directly by RAPID TRANSIT to the proper authorities levying the same. RAPID TRANSIT shall also be liable for, and shall pay, all assessments, taxes, and charges of every kind whatsoever which UNION has undertaken to pay or may be required

to pay on behalf of each, every, and all of its leased lines, as aforesaid; and the same shall be paid directly by RAPID TRANSIT to the proper authorities.

**Four.**—RAPID TRANSIT will pay to UNION such sums from time to time as may be payable by UNION to each of its several lessor companies by the terms of its several leases for the maintenance of the corporate existence of said several lessor companies, and will also pay all necessary expenses for maintaining the corporate existence of UNION, including a reasonable salary of its secretary and treasurer and such clerks as may be needed to attend to keeping the corporate books, papers, and accounts of UNION, and also the expenses incident to maintaining a proper transfer office or agency for the transfer of the shares of UNION and for the annual meetings of the stockholders of UNION, the amount thus paid from time to time to be subject to the approval of the board of directors of RAPID TRANSIT, and no person shall be elected secretary and treasurer of UNION or be employed in the office of UNION without the approval of the board of directors of RAPID TRANSIT.

**Five.**—RAPID TRANSIT shall, at its own expense and cost, at all times during the continuance of this lease, do all the paving, repairing, and repaving of streets along which the tracks of any of the lines leased to or operated by UNION are or hereafter may be laid, which UNION, by the terms of said leases and agreements, or by any law or ordinance, or for any other reason, will be required to do.

**Six.**—In certain of the leases, contracts, agreements, and assignments hereinbefore referred to, UNION is obligated to redeliver to certain of said railway companies, upon the termination of their respective leases, certain personal property therein specified, or to

pay to said railway companies the value thereof, as determined in advance and named in said leases. Said property, so delivered to UNION, is still on hand or has been renewed, or the proceeds of any sale thereof, if such has been made, have been reinvested in other property intended to take the place of that sold, and in every case the property, or its equivalent, is delivered to RAPID TRANSIT under this lease. If UNION shall be required by any such lessor company to make such delivery of property, or to make such stipulated payment during the continuance of this present lease, it shall be the duty of RAPID TRANSIT to make said delivery, or to account for the same, or to make such payment, being entitled to charge therefor against UNION the amount so paid as an advance to UNION, as hereinafter provided in paragraph ELEVEN, unless such termination shall have been occasioned prior to the expiration of the term by some default of RAPID TRANSIT, in which case there shall be no right to charge the same against UNION.

**Seven.**—RAPID TRANSIT shall and will, at all times hereafter during the continuance of this lease, faithfully keep and perform each and every covenant, agreement, and undertaking which UNION has agreed to keep and perform in each and every of said foregoing-recited leases, contracts, agreements, and assignments, hereby assuming and ratifying the same, so that no termination of any of the said leases, contracts, agreements, or assignments at the option of any of said railway or traction companies will be possible by reason of a failure to do any act or thing which UNION may have therein covenanted to do. RAPID TRANSIT further agrees to indemnify and save harmless UNION against and from all loss or damage arising from any failure to so faithfully keep and perform the same. In case of any forfeiture by reason of any such failure, RAPID TRANSIT shall be responsible to UNION in damages, the amount of which shall be determined in accordance with paragraph TWENTY-FIVE hereof,

and shall be payable in cash to UNION. In the case of the various covenants in said leases to pay moneys for interest, dividends, taxes, and corporate expenses, RAPID TRANSIT shall be deemed to have fulfilled its obligation concerning the same when it shall have paid such moneys to UNION at the times and in the manner hereinbefore provided. RAPID TRANSIT will deliver the several properties to the various lessor lines, upon the termination of the several leases thereof, in the condition, way, and manner in each of said several leases respectively provided.

**Eight.**—UNION is at present engaged in making certain extensions, renewals, and improvements of the various railways leased or controlled by it and in reconstructing certain other of its lines of railway and overhead electrical trolley system. RAPID TRANSIT shall take up said work, and shall finish it, assuming all contracts which have heretofore been entered into by UNION on account of the same, and making all payments required under said contracts and necessary to finish and complete the same. All payments made by RAPID TRANSIT in this behalf which are properly chargeable to capital account, and also all such payments made by RAPID TRANSIT in extending the lines of any of the companies leased, operated, or controlled by UNION as aforesaid, or in substituting a different system of traction, shall be charged against UNION, in the manner and subject to the conditions set forth in paragraph ELEVEN hereof.

**Nine.**—All other executory contracts of every kind and description now outstanding, performable by UNION, shall be assumed, and performed by RAPID TRANSIT, which hereby assumes and ratifies the same, and agrees to carry out, keep, and perform the same in good faith, and to indemnify and save harmless UNION against them and every of them. Many of said contracts relate to the furnishing of material and supplies for the operations of the system after July 1st, 1902; in so far as they so relate, the same shall be as-



sumed and performed by RAPID TRANSIT as if made originally by it, and no charge shall be made against UNION for expenditures or losses thereunder. Certain other contracts relating to miscellaneous matters shall be in like manner assumed by RAPID TRANSIT, and the payments to be made thereunder shall be made by RAPID TRANSIT without any charge against UNION therefor, but RAPID TRANSIT shall be entitled to any benefit or services which would otherwise have been received thereunder by UNION: **Provided, however,** That such services shall be rendered, not against, but in the interest of UNION.

**Ten.**—In order to provide for and pay off any floating debt existing prior to July 1st, 1902, UNION has made an issue of collateral trust bonds amounting to one million five hundred thousand dollars (\$1,500,000), secured by a deposit of thirty-five thousand (35,000) common shares of the capital stock of the HESTONVILLE, MANTUA AND FAIRMOUNT PASSENGER RAILROAD COMPANY owned by UNION, under a certain indenture of agreement dated July 1st, A. D. 1902, by and between UNION and THE LAND TITLE AND TRUST COMPANY OF PHILADELPHIA, a copy of which said indenture of agreement is hereto attached, marked "EXHIBIT O," and made a part of this agreement as if the same were here set out in full. RAPID TRANSIT accepts and assumes each, every, and all liability of UNION thereunder, as to interest, sinking fund, and principal, and agrees to pay the same when any of said payments fall due. When any of said shares of stock of said HESTONVILLE, MANTUA AND FAIRMOUNT PASSENGER RAILROAD COMPANY deposited as aforesaid are released under the terms of said agreement, they shall be delivered and transferred to RAPID TRANSIT, under and subject to all the terms and conditions of paragraph THIRTEEN hereof. UNION is to transfer and assign to RAPID TRANSIT all cash, bills and accounts receivable, material and supplies on hand on July 1st, 1902, and certain miscellaneous securities not elsewhere referred to herein, and also the

securities mentioned in paragraph TWENTY hereof, in consideration of which RAPID TRANSIT agrees to assume and pay any other floating indebtedness of UNION which may be found to exist at said date, including all rentals, interest, dividends, taxes, license charges, and payments in the nature of fixed charges, payable by UNION, accrued or accruing and apportioned to July 1st, 1902, and no charge shall be made against UNION for or on account of any such payments. If any other indebtedness of UNION of any description whatever shall at any time hereafter be found to exist, the same is hereby assumed by RAPID TRANSIT, which agrees to pay the same, whether said indebtedness be liquidated, accrued, accruing, or to accrue, admitted, disputed, in suit or otherwise, and including all suits or claims for penalties, or for paving, repairing, or repaving of streets, or for injuries or damages to persons or property, or growing out of any cause of action whatsoever arising or existing prior to the taking effect of this lease, and including all costs and expenses of any suit brought or to be brought thereon; and when all said indebtedness of every character has been paid, and not before that time, all said cash, bills, and accounts receivable, material and supplies, and the said miscellaneous securities, and those referred to in paragraph TWENTY hereof, shall become the absolute property of RAPID TRANSIT. All payments made by RAPID TRANSIT for or on account of UNION, under this paragraph, except those made for interest on said collateral trust bonds and those as to which no charge is to be made, as hereinabove stated, shall be charged against UNION in the account to be stated in the manner set out in paragraph ELEVEN hereof.

**Eleven.**—An account shall be stated between the parties hereto in the following manner: UNION shall be charged with all payments made by RAPID TRANSIT and to be chargeable against UNION under the provisions of paragraphs SIX, EIGHT, and TEN hereof, and UNION shall be further charged therein with all payments here-

after made by RAPID TRANSIT in extending or enlarging the system of UNION, or any of the lines of railway of the companies now owned, leased, operated, or controlled by UNION, as provided in paragraph EIGHTEEN hereof.

UNION shall be credited with (1) the value of all the cash, bills and accounts receivable, materials and supplies on hand July 1st, 1902, and securities of every kind transferred and assigned by UNION to RAPID TRANSIT under paragraph TEN hereof, and also of all the cash and securities transferred and assigned by UNION to RAPID TRANSIT under paragraph TWENTY hereof, and (2) the proceeds arising from any sale made with the consent of UNION in the manner provided for in this agreement, of any of the shares of stock hereby transferred by UNION to RAPID TRANSIT, and (3) the value of all securities which may hereafter be received by UNION and delivered to RAPID TRANSIT, as explained in paragraph NINETEEN hereof, the same to be credited from time to time as received.

If said account, or the value of any of said bonds, stocks, or other property, cannot be agreed upon between the parties hereto, it shall be determined and stated by appraisers in accordance with paragraph TWENTY-FIVE hereof. The said account shall not bear interest; nor shall any balance thereof found due, be payable until the termination of this lease, when it shall be paid; but if this lease should be terminated at any time by reason of any default on the part of RAPID TRANSIT, any balance then due it by UNION shall not be paid, but shall be marked off and canceled, and all right to retain as collateral for such indebtedness any securities transferred to RAPID TRANSIT under this lease, shall cease; it being intended in that event that the right of RAPID TRANSIT to receive any reimbursement for any advances or for any claim which it has against UNION over and above the amount of the credits aforesaid, shall cease and wholly determine, the advances being made upon the understanding that they shall not be reimbursed, but shall be treated



as payments made by RAPID TRANSIT on its own account in case it shall bring about a termination of this lease by its own default.

**Twelve.**—UNION is the owner of two hundred (200) shares of the capital stock of the REAL ESTATE HOLDING COMPANY (a corporation duly organized under the laws of said Commonwealth), being the whole of its present capital stock. Said company holds title to certain pieces of real estate necessary for the operation of certain parts of the railway system of UNION. Said properties are subject to and charged with an indebtedness due to UNION, as shown by its books and accounts. All said shares shall be transferred to RAPID TRANSIT, which shall hold the same as lessee, under the terms of paragraph THIRTEEN hereof. Upon every certificate therefor shall be marked the words: "*Not transferable without the written consent of the Union Traction Company of Philadelphia.*" Said shares shall not, at any time hereafter, be sold; nor shall the same be voted to authorize the sale of any of the real estate now standing in the name of said company, except with the consent of UNION duly expressed by a resolution of its board of directors, and all the proceeds arising from the sale of any of such real estate shall forthwith be invested in other real estate to be held subject to the same conditions, or be otherwise invested in a manner satisfactory to the board of directors of UNION, so as to fully secure said indebtedness from said REAL ESTATE HOLDING COMPANY to UNION.

And, in order that the true intent and meaning of this paragraph may not, at any time hereafter, be defeated, said stock shall not, at any future time, be voted for the purpose of authorizing any further increase of the capital stock of said company without the consent of the board of directors of UNION, nor unless and until said indebtedness of said company to UNION shall first have been secured in a manner satisfactory to the board of directors of UNION.



**Thirteen.**—UNION is the owner in its own right of the following shares of the capital stock of the following-named corporations respectively, viz.:—

125	Shares	Aramingo Ave. Pass. Ry. Co.,
185	"	East Aramingo Ave. Pass. Ry. Co.,
100	"	Girard Ave. Pass. Ry. Co.,
14	"	Electric Traction Co.,
61	"	People's Traction Co.,
300	"	Northern Pass. Ry. Co.,
780	"	Cheltenham Ave. Pass. Ry. Co.,
300	"	Centennial Pass. Ry. Co.,
1,200	"	Philada., Cheltenham & Jenkintown Pass. Ry. Co.,
200	"	Hillcrest Ave. Pass. Ry. Co.,
29	"	People's Pass. Ry. Co.,
240	"	Lindley Ave. Ry. Co.,
240	"	Fisher's Lane Ry. Co.,
254	"	Empire Pass. Ry. Co.
4,780	"	Preferred Stock, Hestonville, Mantua & F. P. R. R. Co.,
294	"	Common " " " " "
781	"	Cheltenham & Willow Grove Turnpike Co.,
279	"	Hatboro & Warminster Turnpike Co.,
1,600	"	Germantown & Fairmount Park Ry. Co.,
1,560	"	Frankford & Fairmount Ry. Co.
2,000	"	Philadelphia & Willow Grove St. Ry. Co.,
20,000	"	Lehigh Avenue Railway Co.,
720	"	Citizens' North End St. Ry. Co.,
300	"	Brown & Parrish St. Ry. Co.,
300	"	Citizens' East End St. Ry. Co.,
120	"	Citizens' Clearfield and Cambria St. Ry. Co.,
538	"	Frankford & Oxford Plank Road Turnpike Co.

All said shares of stock shall be transferred to RAPID TRANSIT, which shall hold the same as LESSEE and be entitled to all dividends and income thereon, and also to hold the same as collateral security for any balance due it for advances made by it to UNION; as provided in paragraph ELEVEN hereof; but upon every certificate shall be indorsed the words, "*Not transferable without the written consent of the Union Traction Company of Philadelphia.*" None of said shares of stock shall be sold at any time by RAPID TRANSIT prior to the time at which the advances for which said shares may be held as collateral security shall be collectible from UNION under the terms of paragraph ELEVEN, and at that time only after thirty (30) days' written notice to UNION of the intention thus to sell.

No use shall be made of any shares transferred to RAPID TRANSIT hereunder either by direct vote of the lessee as holder of shares, or by that of directors elected by any such vote, which shall in any way question any of the acts or doings of UNION or of any of its leased lines antecedent to the date of this lease, or which shall, without the consent of UNION, increase the indebtedness or issue of capital stock of any of the companies whose shares are thus transferred, or which shall alter, affect, or prejudice the interest of UNION in said companies, or any contracts between any of said companies and UNION.

**Fourteen.**—UNION is the owner, as lessee, of the following shares of stock:—

92	Shares	Philada. & Gray's Ferry Pass. Ry. Co.,
50	"	13th & 15th St. Pass. Ry. Co.,
705	"	Philada. & Darby R. R. Co.,
81	"	Philada. City Pass. Ry. Co.,
160	"	Park Ave. & Carlisle St. Pass. Ry. Co.,
20,000	"	22nd St. & Allegheny Ave. Pass. Ry. Co.,

2,000	Shares	Fairmount Park Pass. Ry. Co.,
80	"	Tioga & Venango Sts. Pass. Ry. Co.,
100	"	Kessler St. Connecting Pass. Ry. Co.,
8,000	"	Catharine & Bainbridge Sts. Pass. Ry. Co.,
1,000	"	Walnut St. Connecting Pass. Ry. Co.,
120	"	Huntingdon St. Connecting Pass. Ry. Co.,
120	"	Ridge Ave. Connecting Pass. Ry. Co.,
5,656	"	Empire Pass. Ry. Co.,
7,859	"	West Philada. Pass. Ry. Co. (5900 shares held by Pa. Co. for Ins. on L. & G. Annuities, Trustees for Philada. Traction Co. 4% Collateral Loan).
6,046	"	Union Pass. Ry. Co. (2000 shares held by Pa. Co. for Ins. on L. & G. Annuities, Trustees for Philada. Traction Co. 4% Collateral Loan).

(The shares of the Marshall Street Railway Company, referred to in "EXHIBIT A," are not included in this lease, the charter of said company having been vacated by a decree of ouster.)

All of said shares were the absolute property of PHILADELPHIA TRACTION COMPANY, and were acquired by UNION as Lessee under the lease of the PHILADELPHIA TRACTION COMPANY to UNION, which said lease has been heretofore referred to and is set out as "Exhibit A" of this lease. Five thousand nine hundred (5,900) of the said seven thousand eight hundred and fifty-nine (7,859) shares of the capital stock of the WEST PHILADELPHIA PASSENGER RAILWAY COMPANY, and two thousand (2,000) shares of the said six thousand and forty-six (6,046) shares of the UNION PASSENGER RAILWAY COMPANY are held by the PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES as trustee for security of a certain indebtedness of the PHILADELPHIA TRACTION COMPANY, as is fully set out in Article 3 of the said lease of the PHILADELPHIA TRACTION COMPANY to UNION, a copy of which is attached hereto as "EXHIBIT A." All of the said shares above enumerated shall be transferred into the name of RAPID TRANSIT, as lessee, but upon every certifi-

cate shall be indorsed the words, "*Not transferable without the written consent of the Union Traction Company of Philadelphia and of Philadelphia Traction Company.*" The transfer to RAPID TRANSIT hereunder shall pass such rights, and such rights only, as UNION has in said shares as lessee under said lease from the PHILADELPHIA TRACTION COMPANY, and subject to all the terms and conditions of said lease ; but all dividends accruing and paid on said shares shall be the absolute property of RAPID TRANSIT. As often as any of said shares of said WEST PHILADELPHIA PASSENGER RAILWAY COMPANY and said shares of said UNION PASSENGER RAILWAY COMPANY deposited with the PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES as aforesaid are released under the terms of the agreement hereinbefore referred to, they shall be transferred into the name of RAPID TRANSIT in the manner herein prescribed and be held subject to the provisions set forth in this paragraph.

**Fifteen.**—The CONTINENTAL PASSENGER RAILWAY COMPANY (hereinbefore referred to in "EXHIBIT A") is the owner of six thousand one hundred (6,100) shares of the capital stock of the EMPIRE PASSENGER RAILWAY COMPANY (hereinbefore referred to in "EXHIBIT A") and of ten thousand (10,000) shares of the capital stock of the SEVENTEENTH AND NINETEENTH STREETS PASSENGER RAILWAY COMPANY (hereinbefore referred to in "EXHIBIT A") now held by the UNION PASSENGER RAILWAY COMPANY (hereinbefore referred to in "EXHIBIT A") as trustee and lessee. By virtue of the lease of said CONTINENTAL PASSENGER RAILWAY COMPANY to said UNION PASSENGER RAILWAY COMPANY and of the agreement of the latter company with the PHILADELPHIA TRACTION COMPANY (copies of which said lease and agreement are set forth in "EXHIBIT A") the dividends of every sort and kind which are at any time declared and paid on said stock during the continuance of said agreement are to be paid



to said PHILADELPHIA TRACTION COMPANY as if it were the owner thereof. Such rights as PHILADELPHIA TRACTION COMPANY had in said shares under said various agreements or otherwise were transferred to UNION by the lease hereinbefore referred to and set out as "EXHIBIT A" hereof, and such rights, and such rights only, as UNION has in said shares under said agreements, or otherwise, are hereby transferred to RAPID TRANSIT as lessee, which shall receive all the dividends thereon without allowing UNION any credit therefor.

**Sixteen.**—Under the agreement of October 1st, 1895, and the supplemental agreement of December 10th, 1895, between UNION and the PENNSYLVANIA COMPANY FOR INSURANCES ON LIVES AND GRANTING ANNUITIES (copies of which said agreements are hereinbefore recited and contained in "EXHIBIT C"), there were deposited with said trust company all the shares of the capital stock of both the ELECTRIC TRACTION COMPANY and the PEOPLE'S TRACTION COMPANY as security for an issue of stock trust certificates amounting to twenty-nine million seven hundred and twenty-five thousand eight hundred and sixty-four dollars (\$29,725,864), the semi-annual payments in the nature of interest upon which RAPID TRANSIT is required to make under the provisions of paragraph Two hereof. Under said agreement said stock trust certificates become redeemable at the option of UNION on or after October 1st, 1945, and in the event that said option should be exercised and the principal of said collateral trust certificates be paid off, all of the shares of stock of said ELECTRIC TRACTION COMPANY and of said PEOPLE'S TRACTION COMPANY would become absolutely the property of UNION. Should RAPID TRANSIT desire to redeem said stock trust certificates when or after the same shall have become redeemable as aforesaid, and to pay off the principal thereof, UNION shall and will take any and all such corporate action as may be necessary to enable RAPID TRANSIT

so to do, and upon the redemption and cancellation of said stock trust certificates in manner aforesaid, all said shares of stock of said ELECTRIC TRACTION COMPANY and of said PEOPLE'S TRACTION COMPANY shall become the property of RAPID TRANSIT as lessee, entitled to all dividends and income thereof, and also to hold the same as collateral security for the amount of money expended by RAPID TRANSIT in paying off the principal of said stock trust certificates, and the amount thus expended shall be charged against UNION as an advance in the manner provided in paragraph ELEVEN hereof; but upon every certificate for said shares when thus acquired by RAPID TRANSIT there shall be marked the words, "*Not transferable without the written consent of the Union Traction Company of Philadelphia.*" Should RAPID TRANSIT at any time pay off the principal of said stock trust certificates and thereby become the owner as lessee of said shares of stock of said ELECTRIC TRACTION COMPANY and said PEOPLE'S TRACTION COMPANY and it should be deemed advisable by RAPID TRANSIT at any time thereafter to use said shares of stock as collateral security for a loan or loans not exceeding in the aggregate the amount expended by RAPID TRANSIT in paying off said stock trust certificates, or should RAPID TRANSIT desire, at the time when said stock trust certificates mature as aforesaid, to extend or renew the same for a further period of time, or should it desire to refund the same at a lower rate of interest by paying off the principal thereof and issuing any new obligations based upon the deposit or pledge as security of said shares of stock of said companies after the same shall have been released and surrendered by said trust company, UNION shall and will take any and all such corporate action as may be necessary to enable RAPID TRANSIT so to do.

**Seventeen.**—RAPID TRANSIT shall indemnify and save harmless UNION from all loss, damage, claims, and liability of every description

arising from or out of the management, use, or operation of the property herein demised, or from or by reason of anything that may be done by RAPID TRANSIT in the premises. RAPID TRANSIT shall defend all suits and actions which are now pending or which may be hereafter brought against UNION for any cause of action, or pretended cause of action, heretofore arising or which may hereafter arise, and shall pay as well all costs and charges of said suits and the expense thereof, as all verdicts, judgments, recoveries, and decrees therein, and no charge whatever shall be made against UNION for or on account of the same, or any part thereof, except that any sums which RAPID TRANSIT may be compelled to pay in suits now pending, or which may hereafter be brought against UNION for causes of action arising prior to the date of this lease, may be charged against UNION in the manner provided in paragraph ELEVEN. RAPID TRANSIT shall further, at its own cost and expense, bring such suits and actions as may be necessary to conserve and protect the rights of UNION in and under each, every, and all of its aforesaid leases, agreements, and indentures: **Provided, however,** That the prosecution of such suits and actions, or the defending of any which may be brought by other parties, shall not relieve RAPID TRANSIT from its liability to UNION under paragraph SEVEN hereof, in case any of the rights and franchises now secured to UNION under said leases, agreements, and indentures be lost by any act or omission of RAPID TRANSIT.

**Eighteen.**—It is understood that the growth of the city during the term of this lease will require from time to time extensions by RAPID TRANSIT of the railway system controlled by it (which will include certain railways and traction systems besides those herein demised). Such extensions shall be made from time to time, in so far as the same may be upon streets upon which UNION, by the terms of the leases with its lessor companies, is required to

extend in the exercise of franchises of its lessor companies, in accordance with the terms of said leases; and subject to this provision, RAPID TRANSIT shall have the right to make such extensions under any franchise, the exercise of which it may control, as in the discretion of the board of directors of RAPID TRANSIT may be in the best interest of RAPID TRANSIT: **Provided, however,** That all lines so constructed shall be leased by RAPID TRANSIT upon a fair and reasonable rental, and in the event of the termination of this lease by any default of RAPID TRANSIT, that then and in such case UNION shall have the right to require from RAPID TRANSIT an assignment of the leases of such lines as are proper extensions of the system of UNION, and any failure to make such assignment shall be a breach of the covenants hereof, to be settled by arbitration, as provided in paragraph TWENTY-FIVE hereof.

**Nineteen.**—UNION has made certain advances to certain of its leased lines which stand upon its books as open accounts. Under the leases and agreements hereinbefore recited, UNION is entitled to certain rights by reason of said advances. Nothing herein contained shall prevent UNION from taking from any of said lessor companies any securities for such advances to which it may be entitled; but UNION shall not be compelled to take securities for any such indebtedness. The indebtedness itself, neither in its present nor in any future form, shall bear interest as between the parties hereto during the continuance of this lease. If, however, such securities be taken by UNION at any time hereafter for such indebtedness, or any part thereof, the same shall be delivered to RAPID TRANSIT, which shall be entitled to hold the same as collateral security, as is provided in paragraph THIRTEEN hereof.

**Twenty.**—UNION is at present carrying fire insurance policies in various companies amounting in the aggregate to one million



one hundred and twenty thousand six hundred and fifteen dollars (\$1,120,615), and has also accumulated an insurance fund of its own, represented by sundry stocks, mortgages, and securities of the value in the aggregate of upwards of eight hundred and fifty thousand dollars (\$850,000), and is also setting apart from its receipts and paying into said insurance fund the sum of ten thousand dollars (\$10,000) per month. In addition to said stocks, mortgages, and securities there will be in said insurance fund on July 1st, 1902, cash amounting approximately to twenty-nine thousand dollars (\$29,000). The following is a list of said stocks, mortgages, and securities at present in said insurance fund, viz.:—

Three thousand six hundred and twenty-five (3,625) shares of the capital stock of the Philadelphia Traction Company;

Two hundred and seventy-nine thousand two hundred dollars (\$279,200), at par, of the Electric and People's Traction Stock Trust Certificates;

Mortgage for twenty-five thousand dollars (\$25,000) on property at Fifty-second and Lancaster Avenue, Philadelphia;

Two mortgages aggregating thirty-five thousand dollars (\$35,000) on property at Thirteenth and Jackson Streets, Philadelphia;

Three mortgages aggregating fifty-five thousand dollars (\$55,000) on property at Fifteenth and Cumberland Streets, Philadelphia;

Two mortgages aggregating nine thousand dollars (\$9,000) on property at Eighth and Dauphin Streets, Philadelphia;

Mortgage for fifteen hundred dollars (\$1,500) on properties 6729-31-33 Germantown Avenue, Philadelphia;

Mortgage for thirty-five hundred dollars (\$3,500) on property on Lombard Street, west of Twenty-fifth Street, Philadelphia;

Mortgage for seventy thousand dollars (\$70,000) on property on Patterson Avenue, west of Broad Street, Philadelphia;

Ground rent of four hundred and thirty-seven dollars and fifty cents (\$437.50) principal, on property on Taney Street, south of Girard Avenue, Philadelphia;

Ground rent of one thousand dollars (\$1,000) principal, on property 2516 Lombard Street, Philadelphia.

UNION shall and will forthwith set over, assign, and transfer unto RAPID TRANSIT in accordance with the provisions in paragraph TEN hereof, all of the cash and all of said several recited stocks, mortgages, and securities now constituting said insurance fund, and RAPID TRANSIT accepts the same as of the cash value of eight hundred and fifty thousand dollars (\$850,000).

RAPID TRANSIT shall and will, at its own expense, at all times hereafter, keep up a line of fire insurance in other companies, and shall provide and maintain a fire insurance fund of its own as security against loss by fire on the premises hereby demised, neither of which shall ever be less in amount, unless with the consent of UNION, than the insurance now carried in other companies and provided for by said insurance fund by UNION, and shall and will from time to time add to said insurance fund by monthly payments in said fund equal to those now made by UNION, until such time as the directors of RAPID TRANSIT and of UNION shall both agree that said insurance fund is adequate for the proper protection of the property hereby demised from the danger of loss by fire. And for that purpose RAPID TRANSIT shall and will retain in said insurance fund all the stocks, mortgages, and securities aforesaid, or, in the event of its desiring to sell or dispose of the same, or any part thereof, it shall and will substitute therefor other securities of equal value and such as are satisfactory to the board of directors of UNION. UNION shall have a right to object to insurance being effected or maintained in companies which are not financially able to respond in case of loss, and RAPID TRANSIT shall, whenever requested by UNION, furnish the latter with a list of all insurance in force covering the property subject to this lease, and of all securities and moneys constituting said insurance fund. In no event shall moneys

received from insurance be appropriated without the consent of UNION otherwise than in and about the replacement or restoration of the lost or damaged property.

RAPID TRANSIT shall and will, at all times, at its own expense, keep and perform all the covenants binding upon UNION in the various leases, agreements, contracts, and assignments heretofore recited relating to insuring the property of its various leased lines.

If at any time the board of directors of UNION and the board of directors of RAPID TRANSIT shall fail to agree upon any point or points intended to be covered by this paragraph, the point or points in dispute shall be referred to and decided by arbitrators, selected and acting in accordance with the provisions of paragraph TWENTY-FIVE hereof.

**Twenty-one.** —RAPID TRANSIT shall and will, from time to time, and at all times during the continuance of this lease, manage and operate the railways and other property hereby demised in such manner as in the judgment of RAPID TRANSIT will tend to best develop the business of the system.

It is the true intent and meaning of this agreement that the railway system herein demised by UNION shall be at all times kept in the same general good repair and condition in which the same now is, or will be upon the completion of the contemplated improvements hereinbefore referred to, and fully equipped with the best and most improved equipment for operating the same.

RAPID TRANSIT shall, at the expiration or other termination of the term hereby created, surrender to UNION all the property and premises hereby demised in the same good order and condition in which they now are, with the streets upon which the various lines of railway are laid paved in the same good condition as they now are.

RAPID TRANSIT accepts the premises hereby demised as being in

all respects fully equipped in a modern manner as a first-class street railway system covering the various lines of street railways now operated by UNION, with all proper and necessary railways and appliances, power houses, storage battery plants, buildings, repair shops, electrical machinery and devices, poles, wires, overhead and underground conduits, cars, motors, tools, implements, and equipments; and RAPID TRANSIT shall and will, on the determination of this lease, either by expiration of the term herein created or by its earlier termination under the provisions of this lease, deliver to UNION the entire system and all parts thereof and everything pertaining thereto (including all extensions made in accordance with the provisions of paragraph EIGHTEEN hereof), fully equipped in a thoroughly first-class manner in all respects, with all improvements which may be then in general use on similar first-class street railway systems of like extent. But UNION shall not be compelled to accept by way of substitution any property which shall not be deemed by it proper and suitable for its purposes and adaptable to the needs of the company at the time of such surrender. And in case UNION shall object that the property as turned over, or any part of it, is not in first-class condition, or that the system of railways hereby demised, or any of the lines forming part of it, is not fully equipped in every respect in the manner herein provided for, or intended to be provided for, then any question in dispute relative thereto shall be determined by arbitrators in the manner herein provided in paragraph TWENTY-FIVE hereof, and if said arbitrators find in favor of UNION upon such disputed question or questions, an award shall be made in favor of UNION and against RAPID TRANSIT for such an amount in money as shall enable UNION to properly equip said system in accordance with the true intent and meaning hereof.

**Twenty-two.**—If, in the opinion of the board of directors of UNION, RAPID TRANSIT shall at any time fail to keep the property,



its equipment or operation, up to its agreed standard of efficiency, they may notify RAPID TRANSIT in writing wherein such failure is charged, and upon the failure of RAPID TRANSIT, after such notice, to proceed promptly to remedy its failure, or upon its refusal to do so, UNION may proceed to submit the matter to three (3) arbitrators, chosen in the manner hereinafter prescribed in paragraph TWENTY-FIVE, whose duty it shall be to make a report in writing, wherein they shall determine whether such complaint is well founded, and, if so, in what respects, specifying what shall be done by RAPID TRANSIT in order to bring said property and its equipment, or to keep its operation up to said agreed standard of efficiency, and their decision, or that of a majority of them, when had, shall be final between the parties; and it shall thereupon be the duty of RAPID TRANSIT to comply therewith within three (3) months from notice of such report, and upon the allegation by UNION that there has been on the part of RAPID TRANSIT a failure to so comply, the question shall be determined by said arbitrators in accordance with paragraph TWENTY-FIVE hereof, and upon a decision adverse to RAPID TRANSIT, UNION shall be at liberty by appropriate proceedings in a court of equity to compel specific performance of this covenant.

**Twenty-three.**—UNION shall and will, during the term hereby demised, continue its corporate existence and organization. At all times, and from time to time during the said term, when requested by RAPID TRANSIT, it shall and will put in force and exercise each and every lawful corporate power and do each and every lawful corporate act which UNION might have or may at any time hereafter lawfully put in force or exercise to enable RAPID TRANSIT to enjoy, avail itself of, and exercise every right, franchise, and privilege in respect to the use, management, maintenance, extension, or improvement of the premises hereby demised or intended so to be, RAPID TRANSIT hereby agreeing to indemnify and save harmless

UNION and its lessor companies against all expense, loss, damage, or liability for such exercise of the corporate powers or performance of corporate acts, or for the exercise of the corporate powers or performance of corporate acts of lessor companies when exercised or done at the request of RAPID TRANSIT. UNION will do all that may be necessary to be done in the exercise of its franchises, by application to City Councils and otherwise, to secure the proper advantage to RAPID TRANSIT of this contract. It shall not, however, nor shall its lessor lines, be subjected to any expense by reason of the exercise of its or of their franchises in the way provided for, nor by reason of such application thus stipulated to be made.

**Twenty-four.**—RAPID TRANSIT, keeping and performing the covenants herein contained upon its part to be kept and performed, shall and may at all times, and from time to time, peaceably and quietly have, hold, use, and enjoy the demised premises, and every part and parcel thereof, with the appurtenances, without any manner of let, suit, trouble, or hindrance from Union, its successors or assigns. UNION shall and will, at any time hereafter, execute and deliver such further assurances as may be reasonably required fully to effectuate the objects and purposes of this indenture, and more fully to cause to accrue unto RAPID TRANSIT the rights and privileges herein mentioned, accorded, and granted, or intended so to be.

**Twenty-five.**—It is expressly understood and agreed that if any breach of any of the covenants in this agreement contained on the part of either party hereto be alleged by the other, or if any difference shall arise at any time between the parties hereto in relation to the construction of this agreement or the due performance of any of the covenants hereof, the question shall be submitted to arbitrators. The method of appointment of arbitrators or appraisers under any of the provisions of this lease shall be as follows: The party aggrieved,

or moving in the matter, shall give to the other party written notice of its desire to have an arbitration or appraisal, in which it shall state generally its grievance and name an arbitrator or appraiser. The other party shall thereupon name an arbitrator or appraiser within ten (10) days after receipt of such notice, and in case of its failure to do so the moving party may appoint the second arbitrator or appraiser. The two thus appointed (in either manner) shall select a third, and in case of their failure to agree upon a third within ten (10) days the President Judge of the Court of Common Pleas, No. 1, of Philadelphia County, shall, at the instance of either party, appoint such third arbitrator or appraiser; all of the arbitrators or appraisers shall be men of skill and experience in railroad management. The board of arbitrators or appraisers thus constituted shall thereupon proceed to make the appraisal or determine the matter in dispute. It shall have authority to examine the property, books, papers, and accounts of each party, and of any of the companies leased or controlled by either; to summon witnesses; take testimony and hear argument; and the decision of any two (including the disposition of the costs of arbitration) shall be final and conclusive upon both parties as to all questions of fact involved in such arbitration, without any appeal, *certiorari*, writ of error, or other process of any court to review the award of such arbitrators upon any such questions of fact in aid of the party against whom any such award or decision shall at any time be made: **Provided, however,** That the party in whose favor any award is made may apply to any court of law or equity for aid in enforcing such award against the other party.

**Twenty-six.**—It is expressly understood and agreed that as to the payments of rental stipulated to be made by RAPID TRANSIT in paragraph ONE hereof, and as to each and every of the other payments stipulated to be made by it in paragraphs TWO, THREE, FOUR, SIX, EIGHT, NINE, TEN, SEVENTEEN, and TWENTY hereof respectively,

when the time for paying said rental or making any of said payments is specified in any of said paragraphs respectively, the time thus specified shall be regarded as of the essence of the contract, and shall not be relieved against under any circumstances or in any manner whatsoever; and that any failure or default on the part of RAPID TRANSIT to pay any installment of said rental upon the day upon which such installment is required to be made in paragraph ONE, or within ten (10) days thereafter, or any failure or default on the part of RAPID TRANSIT to make any other payment or payments required to be made under paragraphs TWO, THREE, FOUR, SIX, EIGHT, NINE, TEN, SEVENTEEN, or TWENTY hereof respectively upon the day or days when the same are therein respectively required to be made, if such default shall continue for ten (10) days after UNION shall have given to RAPID TRANSIT notice in writing of the existence of such default, shall, at the option of UNION, work the immediate and absolute forfeiture and determination of this lease and of all rights of RAPID TRANSIT hereunder, without any arbitration, and it shall be the right of UNION immediately to repossess itself of the hereby demised premises in the manner hereinafter provided in paragraph TWENTY-EIGHT.

**Twenty-seven.**—It is the true intent and meaning of this lease that, in addition to its own property and franchises, UNION shall and will turn over to RAPID TRANSIT all the various systems of street railways which it is now operating, and all such, and only such, property, rights, powers, privileges, and franchises relating or appertaining thereto as UNION now possesses and enjoys, or may hereafter lawfully possess and enjoy, and can lawfully transfer, under and by virtue of each, every, and all of said several hereinbefore recited leases, contracts, agreements, and assignments (RAPID TRANSIT accepting the same subject to each and every covenant, condition, restriction and limitation in each and



every of said several leases, contracts, agreements and assignments contained, and subject also to each and every law or ordinance now in force or which may hereafter be enacted affecting UNION or any of its leased lines), and that no other responsibility or liability to RAPID TRANSIT is meant to be imposed upon UNION. All of the leasehold interests hereby leased, assigned, or transferred by UNION to RAPID TRANSIT will expire prior to the expiration of the term herein created. UNION shall and will, from time to time and at all times, assist RAPID TRANSIT in securing renewals and extensions of said various leases, contracts, agreements, and assignments, but assumes no responsibility in respect thereto, and there shall not be any abatement or deduction from the rental herein reserved, or from any other payments which RAPID TRANSIT is hereinbefore required to make, by reason of any termination of any of said leasehold interests, whether such termination be by reason of the limitations of time in any of said various leases, contracts, agreements, or assignments contained, or result from or through any future default on the part of RAPID TRANSIT as to any of the covenants and conditions therein contained, or from or through any default on the part of UNION while it was in the actual control and operation of said respective properties.

**Twenty-eight.**—If upon the expiration of the term hereby created RAPID TRANSIT shall fail to deliver up to UNION all of the premises and property demised and included in or forming part of this lease and agreement, or if at any prior time UNION shall exercise the option hereinbefore given to it to terminate the same by reason of any breach of condition by RAPID TRANSIT as hereinbefore provided, then and in either event it shall be lawful for UNION to enter into and upon the hereby demised premises, or such as may be substituted in their place and form the subject of this lease, and take possession of the same, with the appurtenances and with all

additions and improvements thereon, and upon such re-entry to remove all persons therefrom, and thenceforth to have, hold, possess, and enjoy, and take the same as of its former estate thereunder, and thereafter all the estate and interest of RAPID TRANSIT in and to the same shall absolutely cease and determine, as though these presents had never been made: **Provided, however,** That such re-entry shall not in any manner affect any claim of UNION for rent or for damages resulting from the breach of the covenants herein contained: **And Provided Further,** That any failure or continued failure of UNION to enforce any of its rights under this lease shall not operate as a waiver of said rights or as an estoppel against UNION in the premises; but upon each and every breach of any condition or covenant by RAPID TRANSIT, UNION shall be entitled to enforce its rights hereunder as promptly and thoroughly as though it were the first breach by RAPID TRANSIT of said covenant or condition, although the same or similar failures on the part of RAPID TRANSIT shall have been, from time to time, acquiesced in by UNION. In case of such default by RAPID TRANSIT, and such determination of this lease by UNION, if it shall be necessary for the protection of the rights, interests, and estate of UNION in the hereby-demised premises to commence proceedings in ejectment, or other action in law or equity for the whole or any part of the hereby-demised premises, it shall be competent for any attorney of any court of record of this Commonwealth to appear on behalf of RAPID TRANSIT, for which this shall be his sufficient warrant, and confess judgment in such ejectment or other proceedings, and thereupon a writ of *haberi facias possessionem* may forthwith issue. And it is further agreed that in the event of a confession of judgment having been obtained, UNION, in order to recover possession of the personal property hereby demised and such other personal property as may have been substituted for it, and of all improvements and constructions which may have been made by RAPID TRANSIT under the pro-

visions of this lease, may commence an action of replevin against RAPID TRANSIT and any person or persons, corporation or corporations in possession thereof through RAPID TRANSIT; and in such action any attorney of any court of record of this Commonwealth may appear for the defendant or defendants, for which this shall be sufficient warrant, and RAPID TRANSIT hereby releases UNION and its surety and sureties in said action from any and all actions, suits, and claims by reason of issuing of such writ or the giving of a replevin bond. Neither of the actions or proceedings above mentioned shall exclude UNION from any other action or proceeding which it may deem necessary for the preservation and enforcement of its rights under this lease, it being the intention of the parties hereto that immediate possession shall be had by UNION on the termination of this lease.

**Twenty-nine.**—This lease shall become operative and go into effect on the first day of July, A. D. one thousand nine hundred and two (1902).

**In Witness Whereof,** Each of the parties hereto hath caused its corporate seal to be hereto affixed, and the same to be attested by the signatures of its president and secretary, the nineteenth day of May, A. D. one thousand nine hundred and two (1902).

UNION TRACTION COMPANY OF  
PHILADELPHIA,

JOHN B. PARSONS,  
*President.*

Attest:

R. B. SELFRIDGE,  
*Secretary.*

PHILADELPHIA RAPID TRANSIT  
COMPANY,

W. T. C. SANDERS,  
*President.*

Attest:

J. EDWARD RYAN,  
*Secretary.*

Witnesses Present—

E. O. MICHENER  
ELLIS AMES BALLARD.



Commonwealth of Pennsylvania, } ss.  
 County of Philadelphia,

**Be it Remembered,** That on the nineteenth day of May, Anno Domini one thousand nine hundred and two, before me, the subscriber, a notary public for the Commonwealth of Pennsylvania, commissioned to reside in the county of Philadelphia, and residing in said county, personally appeared R. B. Selfridge, who, being duly sworn according to law, deposes and says that he is the secretary of the UNION TRACTION COMPANY OF PHILADELPHIA; that he was personally present at the execution of the above-written indenture, and saw the common seal of the said UNION TRACTION COMPANY OF PHILADELPHIA duly affixed thereto; that the said seal so affixed thereto is the common and corporate seal of the said UNION TRACTION COMPANY OF PHILADELPHIA; that the above-written indenture was duly signed, sealed, and delivered by John B. Parsons, president of the said company, as and for the act and deed of the said UNION TRACTION COMPANY OF PHILADELPHIA, for the uses and purposes mentioned therein, and that the names of John B. Parsons as president and of this deponent as secretary subscribed to the said indenture in attestation of the due execution and delivery thereof are of their and each of their proper and respective handwritings.

R. B. SELFRIDGE.

Sworn and subscribed before me, the day and year aforesaid.  
 Witness my hand and notarial seal.

W. NELSON L. WEST,  
*Notary Public.*

[Notarial  
 Seal.]

\*Commission Expires January 19th, 1903.



Commonwealth of Pennsylvania, }  
 County of Philadelphia, } ss.

**Be it Remembered,** That on the nineteenth day of May, Anno Domini one thousand nine hundred and two, before me, the subscriber, a notary public for the Commonwealth of Pennsylvania, commissioned to reside in the county of Philadelphia, and residing in said county, personally appeared J. Edward Ryan, who, being duly sworn according to law, deposes and says that he is the secretary of the PHILADELPHIA RAPID TRANSIT COMPANY; that he was personally present at the execution of the above-written indenture, and saw the common seal of the said PHILADELPHIA RAPID TRANSIT COMPANY duly affixed thereto; that the said seal so affixed thereto is the common and corporate seal of the said PHILADELPHIA RAPID TRANSIT COMPANY; that the above-written indenture was duly signed, sealed, and delivered by W. T. C. Sanders, president of the said company, as and for the act and deed of the said PHILADELPHIA RAPID TRANSIT COMPANY, for the uses and purposes mentioned therein, and that the names of W. T. C. Sanders as president and of this deponent as secretary subscribed to the said indenture in attestation of the due execution and delivery thereof are of their and each of their proper and respective handwritings.

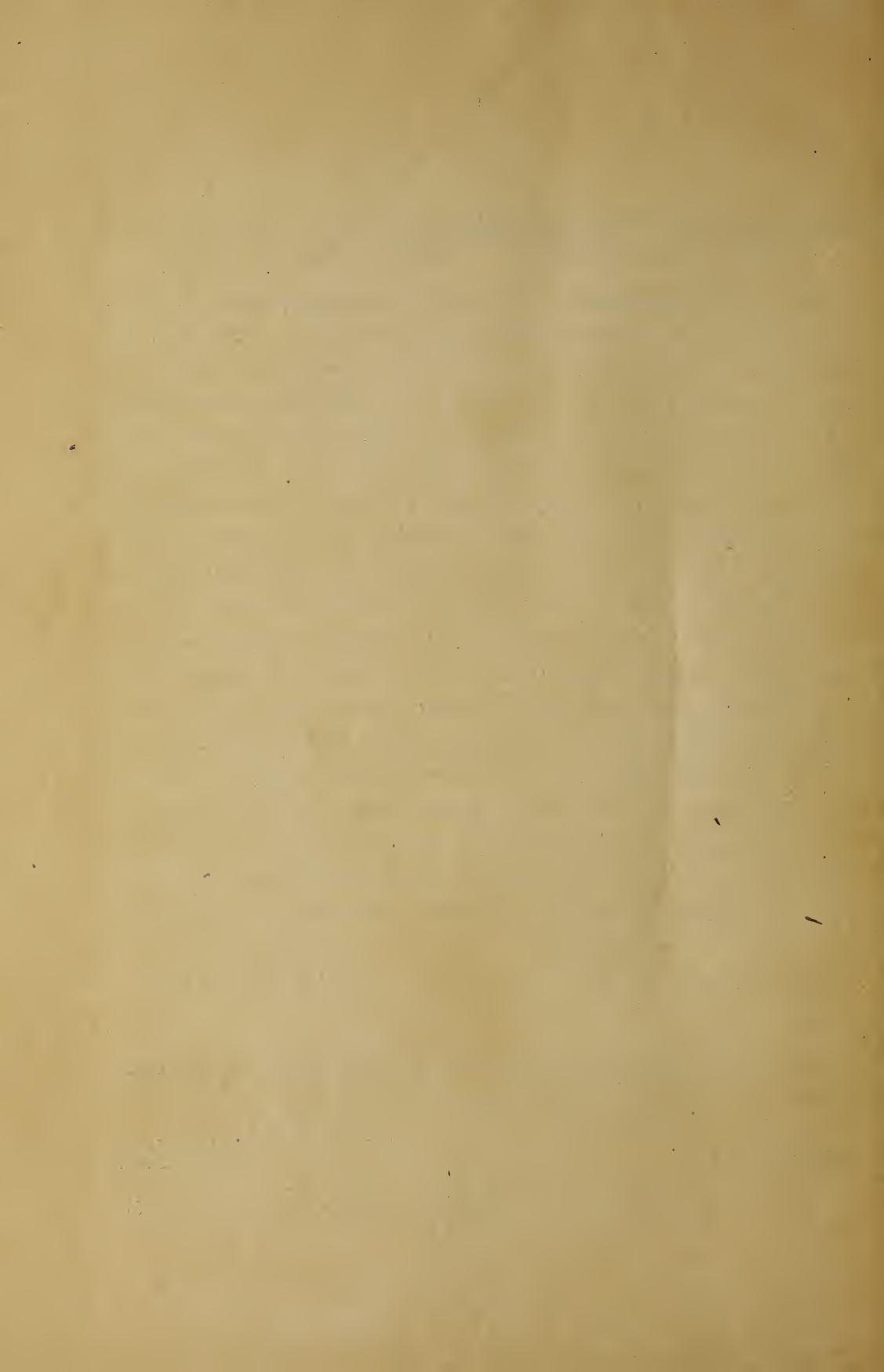
J. EDWARD RYAN.

Sworn and subscribed before me, the day and year aforesaid.  
 Witness my hand and notarial seal.

W. NELSON L. WEST,  
*Notary Public.*

[Notarial  
 Seal.]

Commission Expires January 19th, 1903.







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